

SENATE BILL REPORT

SSB 6516

As Passed Senate, February 17, 2014

Title: An act relating to creating a joint legislative task force to study financing options for water supply, flood control, and storm water projects.

Brief Description: Creating a joint legislative task force to study financing options for water supply, flood control, and storm water projects.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Honeyford, Keiser, Ericksen, Braun and Chase).

Brief History:

Committee Activity: Ways & Means: 2/06/14, 2/11/14 [DPS].
Passed Senate: 2/17/14, 45-2.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6516 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Baumgartner, Vice Chair; Honeyford, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Bailey, Becker, Braun, Conway, Dammeier, Fraser, Frockt, Hasegawa, Hatfield, Hewitt, Padden, Parlette, Rivers, Schoesler and Tom.

Staff: Brian Sims (786-7431)

Background: The capital budget has funded projects to respond to floods, water shortages, and to improve the management of storm water. Most existing flood control and water supply assets were constructed and funded by federal and local governments. These assets are aging and are inadequate to manage predicted changes in climate, cycles of drought and storms, population growth, and necessary development.

Recent appropriations for storm water planning, the Yakima basin integrated plan, and the Chehalis basin flood control project are examples of projects with estimated costs in the billions of dollars and no identified source of funding.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Substitute Bill: A joint legislative task force on financing options for water supply, flood control, and storm water projects is established. The task force includes eight legislators, two each from the four major caucuses of the Legislature, representing appropriate policy committees and the Senate Ways and Means and House Capital Budget committees. The Governor or his representative may serve on the committee. The Governor must select, from nominations from the Association of Washington Cities and the Washington Association of Counties, four task force members representing local governments, with two representing communities at risk from scarce water and two representing communities at risk from flooding and storm water control problems. The Governor must also select, from nominations submitted by the Governor's Office of Indian Affairs, two representatives of tribal governments, one from an area of the state at risk from water supply problems and one from an area at risk from flood and storm water control problems.

The task force, through the appointment of expert workgroups, must review the following:

- the risks from inadequate water supply, flood control, and storm water systems in various communities and water basins of the state;
- the advances in water supply, flood control, and storm water technology, engineering, and ecosystem management that offer reliable, affordable, and long-lasting benefits to the health and safety of residents, the sustainability of regional and state economic growth, and the protection and preservation of the state's natural resources;
- financing options for water supply, flood control, and storm water projects that offer reliable, affordable, and long-lasting benefits to the health and safety of residents, the sustainability of regional and state economic growth, and the protection and preservation of the state's natural resources. Financing options must identify options for incurring debt at the lowest cost and possible state and local revenues necessary to service that debt without diverting state general funds; and
- governance options for setting priorities for financing water supply, flood control, and storm water projects and establishing state and local policies to ensure that the benefits from such projects are not eroded by a failure to adequately maintain such projects, or diminished by local decisions that exacerbate risks the project is intended to mitigate.

The task force must submit its findings and recommendations in a preliminary report to the appropriate committees of the Legislature by December 1, 2014, and a final report by September 1, 2015.

An appropriation of \$1 million is provided from the Public Works Assistance Account for the task force is also provided.

Appropriation: \$1,000,000.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: Yakima County supports the creation of this task force. This work will support the work of the Yakima Integrated Plan (YIP). The problems addressed by the task force are problems faced by communities all over this state. This task force will help identify funding sources that we need to match federal funding sources that we believe will be committed to the YIP. We expect the frequency of drought to increase. The economic impact from drought is devastating to the region and the state. We would request that the task force report deadline be moved up to December 1, 2014, to better coincide with our work with the federal government and our construction schedule. Water conservation is the lynch pin of any water supply effort. This bill will help identify funds to implement the YIP, which is not just about more water for agriculture. It will also provide more instream water necessary to restore fish runs that are part of the treaty rights of the Yakima Nation. It is not easy for American Rivers to support water supply projects, but we can when the projects are part of an integrated plan that also benefit habitat and fish populations.

The Chehalis basin suffers from both too much water and, at times, too little water. Recent floods have shut down I-5 and have devastated our communities. It is important to protect I-5 from these floods, but it is also important to project highways 6 and 12 and protect our homes and businesses. This task force will help identify fund sources to help us do this. The plan for flood control in this basin will also help improve water supply during the low-flow months, which will help restore fish runs. Accelerating the work of the task force would be very helpful.

Clean water is essential for growing shellfish. The Washington shellfish industry has a good reputation for high-quality shellfish. Flood and storm water control is important for protecting water quality, because during flooding and uncontrolled storm water runoff, pollutants are picked up and deposited on our tidelands.

The work of this task force is timely to support the concepts under development in our Floodplain by Design effort. This approach supports large scale integrated projects that maintain clean water, preserve farmlands, support fish populations, and protect communities from flooding.

When junior water right holders are cut off during low-water periods, they have to decide which trees and vines are left to die. It takes many years to recover from those decisions, and the communities that depend on this water never fully recover. Without the crops, there is less shipping that affects the economy in the Puget Sound region.

Research suggests that the public will support this effort. We would like to see the work of the task force sped up to take advantage of this level of public support.

OTHER: We appreciate the language of not diverting general fund for this purpose. The Governor's budget priority in the coming years will be funding education. The review of funding options for projects that address water supply and flood and storm water control is timely. We need core infrastructure to manage water supply, storm water, and flood control in our growing state to continue to balance our economic wellbeing with protecting our natural environment.

Persons Testifying: PRO: Kevin Bouchet, Yakima County Commissioner; Phil Rigdon, Yakama Nation; Urban Eberhardt, Kittitas Reclamation District; Jim Trull, Sunnyside Irrigation District; Michael Garrity, American Rivers; David Burnett, chairman of the Confederated Tribes of the Chehalis Reservation; J. Vanderstoep, Town of Pe Ell; Jay Gordon, Executive Director, WA Dairy Assn.; Chris Davis, The Nature Conservancy; Bill Dewey, Taylor Shellfish Company; Carl Schroeder, Assn. of WA Cities; Jim Halstrom, WA State Horticultural Assn.; Scott Revell, Roza Irrigation District manager; Cindy Zehnder, Lewis County PUD; Laura Merrill, WA State Assn. of Counties; Mo McBroom, The Nature Conservancy; Evan Sheffels, WA Farm Bureau; Charlie de La Chapelle, Yakima Basin Storage Alliance member; Edna Fund, Lewis County Commissioner.

OTHER: David Schumacher, Director, Office of Financial Management; Maia Bellon, Director, Dept. of Ecology.